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"Why We Should Care About Deficits"

"Over the past month, the Congressional Budget Office (CBO), Congress and the President have been doing a lot of talking about deficits, and how the new budget numbers have shown that this year's deficit will be the largest in American history. But, why is this important? Why is this something that the American people should be concerned about?

"First, a deficit occurs when our government spends more money than it takes in. Whether it be funding programs that we can't afford or cutting taxes and losing needed revenue, if you cut the amount of money that is coming in, but continue to spend at the same levels, you will end up with a deficit. That is why a balanced budget is so important, to avoid deficits. Again, why is this important, and how does it affect the daily lives of Americans? One good reason is because of the interest we, the taxpayers, pay on the deficit.

"The amount we spend paying interest alone to service our debt amounts to a debt tax equal to over \$2500 for each taxpayer, and this tax cannot ever be repealed. In my opinion, paying interest on the federal debt is one of the most wasteful forms of spending. This is money that could be used to pay for a prescription drug plan, for education programs, for bulking up our military, for building roads and so much more. It is frustrating to know that nearly 18 percent of the federal budget will go towards paying off interest, meaning that roughly 18 cents of every \$1.00 paid in income tax goes toward interest on the national debt. In the President's FY04 budget released earlier this week, his estimates show that his policies will result in an additional \$105 billion in spending on interest over the next five years. This will place a huge burden on taxpayers, and that is why we should care about deficits.

"The Administration's budget institutionalizes the return to deficits as far as the eye can see. The budget projects a \$307 billion deficit this year, and this figure does not include the cost of a potential war in Iraq. The Administration also projects that we will have to borrow \$1.1 TRILLION over the next five years to pay for the economic proposals outlined in his budget, and we can reasonably presume that the outlook continues to get worse after 2008. Deficit spending should not be the norm, and the fact that in two years we have gone from a \$5.6 TRILLION surplus to a \$1.1 TRILLION deficit indicates to me that Congress and the President need to do a better job of identifying what is important to the American people, and then reordering our spending and tax policy to reflect those needs.

"Budgeting is prioritizing, and our priorities and challenges are many - homeland security, national defense, and strengthening the economy. We will only do harm to our country, our economy, and our citizens, if the federal government continues to borrow and spend with no regard for the burden it places on taxpayers and generations to come. We must remember that with this type of fiscal irresponsibility we are forcing our children and grandchildren to pay a steep price for the deficit spending of today."